



February 26, 2022

**SUMMARY OF BILL AS AMENDED (014284):** Extends the validity of an enhanced handgun carry permit to the lifetime of the permit holder. Eliminates the current lifetime enhanced handgun permit. Authorizes a current enhanced handgun permit holder that expires on or after July 1, 2022, to submit the permit to the Department of Safety (DOS) in exchange for a replacement permit that does not include an expiration date. Authorizes the DOS to charge a fee of \$50 for such replacement permits.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Decrease State Revenue – Net Impact –  
\$3,235,800/FY22-23 and Subsequent Years/Handgun Permit Division**

**Decrease Local Revenue - \$28,500/FY22-23 and Subsequent Years**

**Other Fiscal Impact - An additional recurring decrease in state revenue to DOS due to a large percentage of handgun carry permit holders no longer having any requirement to renew. The precise amount of that decrease is unknown, and is expected to be realized in future years that fall outside the scope of consideration for this analysis.**

Assumptions for the bill as amended:

- Currently there are two types of enhanced handgun carry permits – enhanced and lifetime enhanced.
- The enhanced permit is valid for eight years. A lifetime enhanced permit does not expire.
- To obtain an enhanced handgun permit, qualified applicants must submit a \$100 fee.
- To renew an enhanced handgun permit, the fee is \$50.
- To upgrade from an enhanced permit to a lifetime enhanced permit, the fee is \$200.
- For first-time applicants who choose to obtain a lifetime enhanced handgun permit, the fee is \$300.
- The proposed legislation would effectively eliminate the lifetime enhanced permit by making the enhanced permit valid for the life of the holder.

- It would also allow current holders of an enhanced permit that expires on or after July 1, 2022, to remit that permit to DOS in exchange for a new enhanced permit that does not expire. The DOS is authorized to charge a fee of \$50 for this service.
- Based on information provided by DOS, and accounting for the estimated impacts of Public Chapter 479 of 2019 and Public Chapter 108 of 2021, the average number of enhanced permit holders expected to apply to upgrade to a lifetime enhanced permit each year is estimated to be 11,493.
- This number is assumed to represent the annual number of people who will seek to exchange their current enhanced permit for a new one that does not expire under the proposed legislation.
- Currently those applicants would pay \$200 to upgrade to a lifetime enhanced permit; under the proposed legislation, they will only be required to pay \$50 to receive a new version of the enhanced permit.
- Therefore, each such applicant represents a net \$150 ( $\$200 - \$50$ ) decrease in revenue to the DOS.
- A recurring decrease in state revenue to DOS from these applicants estimated to be \$1,723,950 ( $11,493 \times \$150$ ) in FY22-23 and subsequent years.
- Based on information provided by DOS, and accounting for the estimated impacts of Public Chapter 108 of 2021, the average number of people expected to apply for original lifetime enhanced permit for \$300 is 8,023.
- Per the proposed legislation, these applicants will now only be required to pay \$100 to obtain an enhanced permit that does not expire. Therefore, each of these applicants represents a net decrease in revenue to DOS of \$200 ( $\$300 - \$100$ ).
- Therefore, a recurring decrease in state revenue to DOS estimated to be \$1,604,600 ( $8,023 \text{ applicants} \times \$200$ ) in FY22-23 and subsequent years.
- The total decrease in state revenue to DOS is estimated to be \$3,328,550 ( $\$1,723,950 + \$1,604,600$ ) in FY22-23 and subsequent years.
- As a result of this legislation, it is assumed that some potential concealed handgun carry permit applicants will instead opt to apply for an enhanced carry permit to obtain the added benefits of having more options for the way they may carry and never having to reapply.
- The precise percentage of concealed carry permit applicants that will choose to do this is unknown, but is assumed to be 10 percent.
- Based on information previously provided by DOS, and accounting for the estimated impacts of PC 108 of 2021, the average number of people expected to apply for a concealed carry permit each year is estimated to be 26,514.
- Therefore, 2,651 ( $26,514 \times 10\%$ ) people are estimated to choose to apply for an enhanced permit rather than a concealed permit.
- The concealed carry permits fee is \$65. Thus, each of the applicants is assumed to represent a net increase in revenue to DOS of \$35 ( $\$100 - \$65$ ).
- A recurring increase in state revenue to DOS estimated to be \$92,785 ( $2,651 \times \$35$ ) in FY22-23 and subsequent years.
- The net decrease in state revenue in FY22-23 and subsequent years is estimated to be \$3,235,765 ( $\$3,328,550 - \$92,785$ ).

- Pursuant to Tenn. Code Ann. § 39-17-1351(q)(1), DOS partners with 48 county clerks' offices in the state to issue enhanced permit renewals. The county clerks are authorized to charge an additional \$4.00 per renewal application, which is retained by the county. All 48 charge the full \$4.00.
- These entities process approximately 15 percent of enhanced permit renewals.
- Between the years 2019-2021, the average number of annual enhanced permit renewals was 47,532.
- A mandatory recurring decrease in local revenue estimated to be \$28,519 [(47,532 x 15%) x \$4.00] in FY22-23 and subsequent years.
- It is assumed there will be an additional recurring decrease in state revenue to DOS due to a large percentage of handgun carry permit holders no longer having any requirement to renew. The precise amount of that decrease is unknown, and is expected to be realized in future years that fall outside the scope of consideration for this analysis.
- The proposed legislation is not estimated to result in a decrease in the number of original applications for a handgun carry permit; therefore, there are no expected decreases in revenue to the Tennessee Bureau of Investigation or local agencies related to criminal background checks.
- The legislation is not estimated to result in an increase in the total number of permit cards issued; therefore, there will be no increase in expenditures related to printing costs.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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